Exhibit A

CONFIDENTIAL

MEMORANDUM OF UNDERSTANDING FOR CLASS AND COLLECTIVE SETTLEMENT

Marin v. Apple-Metro, No. 12 Civ. 5274 (E.D.N.Y) and Dove v. Apple-Metro, No. 13 Civ. 1417 (E.D.N.Y.

On March 9, 2020, the Parties, Plaintiffs CARLOS MARIN, KENNY LEBRON, MARTINA HANISCH, and SHAUNTA DOVE (collectively, the "Named Plaintiffs" or "Class Representatives") and Defendants APPLE METRO, INC., AM NYCF, LLC, 42ND APPLE LLC, 117TH APPLE, LLC, AIRMONT APPLE, LLC, ASTORIA APPLE, LLC, AT APPLE, LLC, BAY PLAZA APPLE, LLC, BAY TERRACE APPLE, LLC, BED-STUY APPLE, LLC, BROADWAY APPLE, LLC, BTM APPLE, LLC, CORTLANDT APPLE, LLC, CROSS COUNTRY APPLE, LLC, CROSSROADS APPLE, LLC, EB APPLE, LLC, EXPRESSWAY APPLE, LLC, FLATBUSH APPLE, LLC, FORDHAM APPLE, LLC, FRESH MEADOWS APPLE, LLC, HARLEM APPLE, LLC, HAWTHORNE APPLE, LLC, JAMAICA APPLE, LLC, KISCO APPLE, LLC, MAMARONECK APPLE, LLC, NEW DORP APPLE, L.L.C., NEW ROCHELLE APPLE, LLC, OUTERBRIDGE APPLE, LLC, PORT CHESTER APPLE, LLC, QUEENS CENTER APPLE, LLC, REGO PARK APPLE, LLC, RIVERDALE APPLE, LLC, S.I. MALL APPLE, LLC, SHEEPSHEAD APPLE, LCC, SVC APPLE, LLC, TRIANGLE APPLE, LLC, WHITE PLAINS APPLE, LLC, ZANE TANKEL, ROY RAEBURN, KIRK SAMLAL, AUBREY DALY, ROLAND RAYMOND, DERRICK PALMER, SUSY QUINTERO, and CHRIS ANTOINE agreed that they have reached a settlement in principle (the "Settlement"), to resolve, on a class-wide basis, this class and collective action litigation, Marin v. Apple-Metro, No. 12 Civ. 5274 (E.D.N.Y) and Dove v. Apple-Metro, No. 13 Civ. 1417 (E.D.N.Y.) (the "Lawsuits"), including, but not limited to, the dismissal of any and all appeals related to separate and final judgments issued in this matter. This binding Memorandum of Understanding sets out the material terms and conditions of the class-wide settlement to be proposed for the Court's approval in the form of a Settlement Agreement to be negotiated by the parties forthwith. This is a claims-made settlement. The parties agree that they will work together to draft appropriate documents for filing with the Court to effectuate their agreement.

- 1. <u>Settlement Amount</u>: The Named Plaintiffs and Defendants agree to a definitive settlement of all matters and issues related to the Lawsuits, including the settlement of all Named Plaintiffs' claims, all opt-in Plaintiffs' claims pled in the Lawsuits, and all class action claims pled in the Lawsuits, for a total aggregate settlement amount of \$10,000,000.00 (the "Gross Settlement Fund").
- 2. **Gross Settlement Fund:** The Gross Settlement Fund includes all potential monies to be paid by Defendants in connection with the Settlement, including, without limitation, all service awards, Plaintiffs' attorneys' fees and costs, all interest, liquidated and/or multiple damages, penalties, and all costs including costs of administration of the settlement by a third-party claims administrator. The employers' share of the payroll taxes will *not* be paid out of the Gross Settlement Fund.

- 3. Awards to Named Plaintiffs: Subject to the Court's approval, Plaintiffs will request services awards of up to \$60,000.00, total, for Named Plaintiffs and certain opt-in Plaintiffs. Defendants shall not oppose Plaintiffs' application for Service Payments as stated herein. The claims administrator will issue appropriate tax forms to Named Plaintiffs and certain opt-in Plaintiffs reflecting the Service Payments.
- 4. Funding Gross Settlement Fund: Defendants shall commence funding the Gross Settlement Fund within 30 days of the execution of this Memorandum of Understanding. On April 8, 2020, Defendants shall deposit \$500,000.00 into an escrow account. Thereafter, for 9 consecutive months, Defendants shall pay \$500,000.00 into an escrow account on the 15th day of the month (May 15, 2020; June 15, 2020; July 15, 2020; August 15, 2020; September 15, 2020; October 15, 2020; November 15, 2020; December 15, 2020; January 15, 2021) until Defendants have deposited a total of \$5 million dollars into the escrow. Defendants shall fund any additional funds necessary to pay all service awards, Plaintiffs' attorneys' fees and costs, all interest, liquidated and/or multiple damages, penalties, and all costs including costs of administration of the settlement by a third-party claims administrator. No release is valid and the case will not be dismissed until all payments are made.

All Defendants are individually liable for all settlement payments. If Defendants fail to make a payment on the date due, and fails to cure within 10 days, Apple Metro, Inc., Zane Tankel, and Roy Raeburn will execute a confession of judgment for 125% of the amount of the remaining payments and will remain liable for any additional settlement amounts due.

- 5. <u>Settlement Administrator</u>: Arden Claims Service is the presumptive settlement administrator, subject to a competitive bid process. Plaintiffs' Counsel and Defendants shall consent to the settlement administrator.
- 6. <u>Attorneys' Fees and Costs</u>: Plaintiffs' Counsel shall apply to the Court for an award of attorneys' fees out of the Gross Settlement Fund in an amount not to exceed one-third of the Gross Settlement Fund, plus reasonable costs, and Defendants shall not oppose an application for an award up to one-third of the Gross Settlement Fund.
- 7. <u>Class Definitions</u>: "Opt-in Plaintiffs" means all individuals who filed consent to join forms in this matter prior to the execution of this Memorandum of Understanding, and have not withdrawn such consent forms. "Rule 23 Class Members" means: All tipped hourly employees at all Apple-Metro restaurants, from January 1, 2011 through the present, who have been paid tip-credit reduced (sub-minimum wage) hourly rates and all non-managerial employees at all Apple-Metro restaurants from April 9, 2011 to the present.
- 8. <u>Settlement Process</u>: The notice shall state that by returning an executed claim form, the Rule 23 Class Member will join the Lawsuits for purposes of the FLSA and will release the claims pled. Rule 23 Class Members shall be allowed 60 days to submit a claim form or to opt-out of the class. The settlement administrator shall perform one skip trace on returned mail, and it will send a second notice mailing to a second address for

anyone identified with one by either the post office or the skip trace. The settlement administrator will send a reminder postcard to all Rule 23 Class Members who have not returned a claim form halfway through the claim period. Opt-In Plaintiffs will receive a notice advising them of the settlement and the date of the fairness hearing but will not be required to submit a claim form to participate in the settlement.

- 9. <u>Allocation Formula</u>: Payments to Opt-in Plaintiffs and Rule 23 Class Members shall be allocated from the Net Settlement Fund, which shall be defined as the Gross Settlement Fund less any service awards, Plaintiffs' attorneys' fees and costs, and the costs of administration of the settlement by the Settlement Administrator. Plaintiffs will propose the allocation formula subject to Defendants' consent.
- 10. <u>Class Member Participation in Settlement Fund</u>: Rule 23 Class Members who do not opt-out of the Class and who return a completed and executed claim form within 60 days of mailing of the notice and claim form shall receive the payment allocated to them from the Net Settlement Fund. Rule 23 Class Members who do not return a completed and executed claim form and/or who opt out of the class ("Non-Participating Class Members") shall waive the right to recover any award from the Net Settlement Fund. All Opt-in Plaintiffs will receive a payment from the settlement fund and will not be required to submit a claim form.
- 11. <u>Cooperation</u>: The Parties agree to cooperate and take all steps necessary and appropriate to obtain preliminary and final approval of the terms of the Proposed Class Action Settlement, to draft a mutually acceptable Settlement Agreement and to effectuate all aspects of its terms, and to dismiss the Lawsuits with prejudice upon final approval. Failure of the Court to grant preliminary approval of the Settlement without material changes will be grounds for Defendants or the Named Plaintiffs to terminate Settlement.

Date: March 9, 2020

Plaintiffs' Counsel

Defendants' Counsel